

117TH CONGRESS  
2D SESSION

# H. R. 7295

To amend the Internal Revenue Code of 1986 to provide an advanceable refundable credit for individuals who own or lease certain motor vehicles.

## IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2022

Mr. HORSFORD introduced the following bill; which was referred to the Committee on Ways and Means

# A BILL

To amend the Internal Revenue Code of 1986 to provide an advanceable refundable credit for individuals who own or lease certain motor vehicles.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### 3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Saving Americans from  
5 Vehicle Energy Costs Act”.

## **6 SEC. 2. ADVANCEABLE REFUNDABLE CREDIT FOR INDIVID-**

**7                   UALS WHO OWN OR LEASE CERTAIN MOTOR  
8                   VEHICLES.**

9       (a) IN GENERAL.—Subpart C of part IV of sub-  
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36B the fol-  
2 lowing new section:

3 **“SEC. 36C. REFUNDABLE CREDIT FOR OWNING OR LEASING**  
4 **CERTAIN MOTOR VEHICLES.**

5 “(a) IN GENERAL.—In the case of an eligible indi-  
6 vidual, there shall be allowed as a credit against the tax  
7 imposed by this subtitle for any taxable year the sum of  
8 the monthly credit amounts determined with respect to  
9 such individual for specified months during such taxable  
10 year.

11 “(b) MONTHLY CREDIT AMOUNT.—The term  
12 ‘monthly credit amount’ means, with respect to any indi-  
13 vidual for any specified month, the product of—

14 “(1) \$300, multiplied by  
15 “(2) the number of qualified motor vehicles  
16 owned or leased by such individual as the close of  
17 such month.

18 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-  
19 COME.—No credit shall be allowed under this section for  
20 any taxable year if the adjusted gross income of the tax-  
21 payer for such taxable year exceeds \$200,000 (\$400,000  
22 in the case of a joint return).

23 “(d) OTHER DEFINITIONS.—For purposes of this  
24 section—

1           “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
2 individual’ means any individual (other than an es-  
3 tate or trust) who resides in the United States.

4           “(2) SPECIFIED MONTH.—The term ‘specified  
5 month’ means the first 3 calendar months beginning  
6 after the date of the enactment of this section.

7           “(3) QUALIFIED MOTOR VEHICLE.—The term  
8 ‘qualified motor vehicle’ means any vehicle which—

9                 “(A) is treated as a motor vehicle for pur-  
10          poses of title II of the Clean Air Act, and

11                 “(B) is registered for highway use.

12           “(e) RULES RELATED TO OWNERSHIP AND LEAS-  
13          ING.—For purposes of this section—

14                 “(1) IN GENERAL.—An individual shall be  
15          treated as owning a motor vehicle only if such per-  
16          son is the registered owner of such motor vehicle.

17                 “(2) LEASES.—Notwithstanding paragraph (1),  
18          any motor vehicle subject to a lease shall be treated  
19          as owned by the lessee (and only by the lessee).

20                 “(3) TREATMENT OF MULTIPLE OWNERS OR  
21          LESSEES.—Except as otherwise provided by the Sec-  
22          retary, if more than one individual is listed on any  
23          ownership registration or lease as being the owner or  
24          lessee (as the case may be) only the first individual

1        so listed shall be treated as the owner or lessee (as  
2        the case may be) for purposes of this section.

3        “(f) COORDINATION WITH ADVANCE PAYMENT OF  
4 CREDIT.—With respect to any taxable year, the amount  
5 which (but for this subsection) would be allowed as a cred-  
6 it to a taxpayer under subsection (a) shall be reduced (but  
7 not below zero) by the aggregate amount paid to such tax-  
8 payer under section 7527B with respect to months during  
9 such taxable year.”.

10       (b) ADVANCE PAYMENT.—Chapter 77 of such Code  
11 is amended by inserting after section 7527A the following  
12 new section:

13 **“SEC. 7527B. ADVANCE PAYMENT OF CREDIT FOR OWNING**  
14 **OR LEASING CERTAIN MOTOR VEHICLES.**

15       “(a) IN GENERAL.—The Secretary shall establish a  
16 program for making monthly payments of the monthly  
17 credit amounts determined under section 36C (without re-  
18 gard to subsection (f) thereof) with respect to taxpayers.

19       “(b) INCOME BASED ON PRIOR YEAR.—For purposes  
20 of determining any payment under this section, section  
21 36C(c) shall be applied by substituting ‘the preceding tax-  
22 able year’ for ‘such taxable year’.

23       “(c) ON-LINE PORTAL.—The Secretary shall estab-  
24 lish an on-line portal which allows taxpayers to submit  
25 such information as the Secretary may require to allow

1 the Secretary to determine the proper amount of each  
2 monthly payment to such taxpayer under this section.

3       “(d) NOTICE OF PAYMENTS.—Not later than Janu-  
4 ary 31 of the calendar year following any calendar year  
5 during which the Secretary makes one or more payments  
6 to any taxpayer under this section, the Secretary shall pro-  
7 vide such taxpayer with a written notice which includes  
8 the taxpayer’s taxpayer identity (as defined in section  
9 6103(b)(6)), the aggregate amount of such payments  
10 made to such taxpayer during such calendar year, and  
11 such other information as the Secretary determines appro-  
12 priate.

13       “(e) ADMINISTRATIVE PROVISIONS.—

14           “(1) APPLICATION OF ELECTRONIC FUNDS PAY-  
15 MENT REQUIREMENTS.—Any payment under this  
16 section shall be made by electronic funds transfer to  
17 the same extent and in the same manner as if such  
18 payment were a Federal payment not made under  
19 this title.

20           “(2) APPLICATION OF CERTAIN RULES.—Rules  
21 similar to the rules of subparagraphs (B) and (C) of  
22 section 6428A(f)(3) shall apply for purposes of this  
23 section.

24           “(3) TREATMENT OF PAYMENTS.—Any pay-  
25 ment under this section shall be treated for purposes

1       of section 1324 of title 31, United States Code, in  
2       the same manner as a refund due from a credit pro-  
3       vision which is described in subsection (b)(2) of such  
4       section.

5           “(4) EXCEPTION FROM REDUCTION OR OFF-  
6       SET.—Any payment under this section shall not  
7       be—

8           “(A) subject to reduction or offset pursu-  
9       ant to section 3716 or 3720A of title 31,  
10       United States Code,

11           “(B) subject to reduction or offset pursu-  
12       ant to subsection (c), (d), (e), or (f) of section  
13       6402 of the Internal Revenue Code of 1986, or

14           “(C) reduced or offset by other assessed  
15       Federal taxes that would otherwise be subject  
16       to levy or collection.

17           “(5) ASSIGNMENT OF BENEFITS.—

18           “(A) IN GENERAL.—The right of any per-  
19       son to any applicable payment under this sec-  
20       tion shall not be transferable or assignable, at  
21       law or in equity, and no applicable payment  
22       shall be subject to, execution, levy, attachment,  
23       garnishment, or other legal process, or the op-  
24       eration of any bankruptcy or insolvency law.

1                 “(B) ENCODING OF PAYMENTS.—In the  
2                 case of an applicable payment that is paid elec-  
3                 tronically by direct deposit through the Auto-  
4                 mated Clearing House (ACH) network, the Sec-  
5                 retary shall—

6                         “(i) issue the payment using a unique  
7                 identifier that is reasonably sufficient to  
8                 allow a financial institution to identify the  
9                 payment as an applicable payment, and

10                         “(ii) further encode the payment pur-  
11                 suant to the same specifications as re-  
12                 quired for a benefit payment defined in  
13                 section 212.3 of title 31, Code of Federal  
14                 Regulations.

15                 “(C) GARNISHMENT.—

16                         “(i) ENCODED PAYMENTS.—In the  
17                 case of a garnishment order that applies to  
18                 an account that has received an applicable  
19                 payment that is encoded as provided in  
20                 subparagraph (B), a financial institution  
21                 shall follow the requirements and proce-  
22                 dures set forth in part 212 of title 31,  
23                 Code of Federal Regulations, except—

24                         “(I) notwithstanding section  
25                 212.4 of title 31, Code of Federal

1                   Regulations (and except as provided  
2                   in subparagraph (II)), a financial institu-  
3                   tion shall not fail to follow the proce-  
4                   dures of sections 212.5 and 212.6 of  
5                   such title with respect to a garnish-  
6                   ment order merely because such order  
7                   has attached, or includes, a notice of  
8                   right to garnish federal benefits issued  
9                   by a State child support enforcement  
10                  agency, and

11                  “(II) a financial institution shall  
12                  not, with regard to any applicable  
13                  payment, be required to provide the  
14                  notice referenced in sections 212.6  
15                  and 212.7 of title 31, Code of Federal  
16                  Regulations.

17                  “(ii) OTHER PAYMENTS.—In the case  
18                  of a garnishment order (other than an  
19                  order that has been served by the United  
20                  States) that has been received by a finan-  
21                  cial institution and that applies to an ac-  
22                  count into which an applicable payment  
23                  that has not been encoded as provided in  
24                  subparagraph (B) has been deposited elec-  
25                  tronically on any date during the lookback

1           period or into which an applicable payment  
2           that has been deposited by check on any  
3           date in the lookback period, the financial  
4           institution, upon the request of the account  
5           holder, shall treat the amount of the funds  
6           in the account at the time of the request,  
7           up to the amount of the applicable pay-  
8           ment (in addition to any amounts other-  
9           wise protected under part 212 of title 31,  
10           Code of Federal Regulations), as exempt  
11           from a garnishment order without requir-  
12           ing the consent of the party serving the  
13           garnishment order or the judgment cred-  
14           itor.

15           “(iii) LIABILITY.—A financial institu-  
16           tion that acts in good faith in reliance on  
17           clauses (i) or (ii) shall not be subject to li-  
18           ability or regulatory action under any Fed-  
19           eral or State law, regulation, court or other  
20           order, or regulatory interpretation for ac-  
21           tions concerning any applicable payments.

22           “(D) NO RECLAMATION RIGHTS.—This  
23           paragraph shall not alter the status of applica-  
24           ble payments as tax refunds or other nonbenefit  
25           payments for purpose of any reclamation rights

1           of the Department of the Treasury or the Intern-  
2           al Revenue Service as per part 210 of title 31,  
3           Code of Federal Regulations.

4           “(E) DEFINITIONS.—For purposes of this  
5           paragraph—

6                 “(i) ACCOUNT HOLDER.—The term  
7                 ‘account holder’ means a natural person  
8                 whose name appears in a financial institu-  
9                 tion’s records as the direct or beneficial  
10              owner of an account.

11                 “(ii) ACCOUNT REVIEW.—The term  
12                 ‘account review’ means the process of ex-  
13                 amining deposits in an account to deter-  
14                 mine if an applicable payment has been de-  
15                 posited into the account during the  
16                 lookback period. The financial institution  
17                 shall perform the account review following  
18                 the procedures outlined in section 212.5 of  
19                 title 31, Code of Federal Regulations and  
20                 in accordance with the requirements of sec-  
21                 tion 212.6 of title 31, Code of Federal  
22                 Regulations.

23                 “(iii) APPLICABLE PAYMENT.—The  
24                 term ‘applicable payment’ means any pay-

1                   ment made pursuant to subsection (a) of  
2                   this section.

3                   “(iv) GARNISHMENT.—The term ‘gar-  
4                   nishment’ means execution, levy, attach-  
5                   ment, garnishment, or other legal process.

6                   “(v) GARNISHMENT ORDER.—The  
7                   term ‘garnishment order’ means a writ,  
8                   order, notice, summons, judgment, levy, or  
9                   similar written instruction issued by a  
10                  court, a State or State agency, a munici-  
11                  pality or municipal corporation, or a State  
12                  child support enforcement agency, includ-  
13                  ing a lien arising by operation of law for  
14                  overdue child support or an order to freeze  
15                  the assets in an account, to effect a gar-  
16                  nishment against a debtor.

17                  “(vi) LOOKBACK PERIOD.—The term  
18                  ‘lookback period’ means the two month pe-  
19                  riod that begins on the date preceding the  
20                  date of account review and ends on the  
21                  corresponding date of the month two  
22                  months earlier, or on the last date of the  
23                  month two months earlier if the cor-  
24                  responding date does not exist.

1        “(f) REGULATIONS.—The Secretary shall issue such  
2 regulations or other guidance as the Secretary determines  
3 necessary or appropriate to carry out the purposes of this  
4 section and section 36C(f), including regulations or other  
5 guidance which provides for the application of such sec-  
6 tions where the filing status of the taxpayer for a taxable  
7 year is different from the status used for determining  
8 monthly payments under this section.”.

9        (c) CONFORMING AMENDMENTS.—

10            (1) Section 6211(b)(4)(A) of the Internal Rev-  
11 enue Code of 1986 is amended by inserting “36C,”  
12 after “36B.”.

13            (2) Paragraph (2) of section 1324(b) of title  
14 31, United States Code, is amended by inserting  
15 “36C,” after “36B.”.

16            (3) The table of sections for subpart C of part  
17 IV of subchapter A of chapter 1 of the Internal Rev-  
18 enue Code of 1986 is amended by inserting after the  
19 item relating to section 36B the following new item:

“Sec. 36C. Refundable credit for owning or leasing certain motor vehicles.”.

20            (4) The table of sections for chapter 77 of such  
21 Code is amended by inserting after the item relating  
22 to section 7527A the following new item:

“Sec. 7527B. Advance payment of credit for owning or leasing certain motor  
vehicles.”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to months beginning after the date  
3 of the enactment of this Act, in taxable years ending after  
4 such date.

